



**Request for City Council Committee Action  
From the Department of Department of Regulatory Services**

Date: April 8, 2003

To: Council Member Niziolek, Chair  
Public Safety & Regulatory Services Committee

Referral to: Ways & Means Committee

**Subject: Extension of outsourced gasoline purchase and vehicle maintenance contract for the Department of Regulatory services**

**Recommendation:** That Council approve a temporary extension of the Department of Regulatory Service's contract with Automotive Rentals, Inc. (ARI) to August 30, 2003 and increase the contract total amount by \$65,000. Also, authorize the Department to prepare specifications for accepting bids from providers of outsourced vehicle maintenance for the Department's fleet. This extension will also allow Department staff to receive and evaluate a proposal from Public Works Equipment Services Division to provide similar vehicle maintenance services.

**Previous Directives:** Council approved on April 23, 1999 an agreement between the City of Minneapolis and Automotive Rental, Inc. On June 9, 1999 the City and ARI entered into a four year agreement for the provision of an outsourced vehicle gasoline purchase and maintenance program for an estimated annual expenditure of \$250,000.

Prepared/Submitted by: Clara Schmit Gonzalez, Deputy Director, Regulatory Services

Approved by: \_\_\_\_\_  
Merwyn Larson, Director, Regulatory Services

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John Bergquist, Assistant City Coordinator

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John Moir, City Coordinator

Presenters in Committee Clara Schmit Gonzalez, Deputy Director, Regulatory Services

**Financial Impact** (Check those that apply)

☒ No financial impact - or - Action is within current department budget.  
(If checked, go directly to Background/Supporting Information)

☐ Action requires an appropriation increase to the Capital Budget

☐ Action requires an appropriation increase to the Operating Budget

☐ Action provides increased revenue for appropriation increase

☐ Action requires use of contingency or reserves

☒ Other financial impact (Explain): *May result in significant savings for the Department*

☐ Request provided to the Budget Office when provided to the Committee Coordinator

**Community Impact** (use any categories that apply)

Neighborhood Notification

City Goals

Comprehensive Plan

Zoning Code

Other

**Background/Supporting Information Attached:**

On June 9, 1999 the City of Minneapolis and Automotive Rentals, Inc. (ARI) entered into a four year contract for the provision of an outsourced gasoline purchase and vehicle maintenance program for the Department of Regulatory Service's fleet. That contract will expire June 9 of this year. This contract has to date provided the department with cost effective fleet management and preventative maintenance. This program has also created some standards to compare other external and internal fleet services with. Since we will be retaining these vehicles for longer use than was anticipated at the beginning of this contract, we are asking for this extension in order to better prepare appropriate bid specifications for a fleet with an anticipated useful life of 8-10 years and this time extension will also allow us to receive and evaluate a proposal from the Public Works Equipment Division for similar fleet services.

We therefore request:

- Extension of the current contract with ARI until August 30, 2003 and increase the total contract amount by \$65,000.
- Authorization for the Department to prepare bid specifications for outsourced vehicle maintenance.

We believe the result of these actions will be to create a more effective and efficient fleet operation based on a competitive process that considers both internal and external options.